

**“Improving Social Accountability in the Water Sector
through the Development of Quality Standards and
Citizen Participation in Monitoring Project”
Grant No. TF 015840**

Special purpose project financial statements
for the year ended December 31, 2016

and independent auditors’ report

**“IMPROVING SOCIAL ACCOUNTABILITY IN THE WATER SECTOR THROUGH THE
DEVELOPMENT OF QUALITY STANDARDS AND CITIZEN PARTICIPATION IN MONITORING
PROJECT”
GRANT NO. TF 015840**

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STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

The following statement, which should be read in conjunction with the independent auditors’ responsibilities stated in the independent auditors’ report set out on pages 3-5, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the special purpose project financial statements of the “Improving Social Accountability in the Water Sector through the Development of Quality Standards and Citizen Participation in Monitoring Project”, Grant No. TF 015840 (the “Project”).

Management is responsible for the preparation of the special purpose project financial statements that present fairly, in all material respects, cash proceeds and disbursements and uses of funds by project components of the Project for the year ended December 31, 2016 in accordance with International Public Sector Accounting Standard “Financial Reporting Under the Cash Basis of Accounting” (the “IPSAS”) issued by the International Public Accounting Standards Board of the International Federation of Accountants and the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”).

In preparing the special purpose project financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the special purpose project financial statements; and
- preparing the special purpose project financial statements on a going concern basis, unless it is inappropriate to presume that the Project will continue its activity for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining effective and sound system of internal control and for revealing risks in system of internal control;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Project, and which enable them to ensure that the special purpose project financial statements of the Project comply with IPSAS and WB Guidelines;
- compliance with laws and regulations of the Republic of Tajikistan, accounting system of the Project and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- detecting and preventing fraud and other irregularities.

The special purpose project financial statements for the year ended December 31, 2016 were approved and authorized for issue on April 21, 2017 by the management of the Project.

On behalf of the Management:



Shovcat Alizadeh
Director

April 21, 2017
Dushanbe, Republic of Tajikistan




Dilafruz Gafurova
Finance and systems coordinator

April 21, 2017
Dushanbe, Republic of Tajikistan



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INDEPENDENT AUDITORS' REPORT

To the management of the “Improving Social Accountability in the Water Sector through the Development of Quality Standards and Citizen Participation in Monitoring Project” under the Affiliate of OXFAM GB Association in the Republic of Tajikistan:

Report on the special purpose project financial statements

Opinion

- [1] We have audited the special purpose project financial statements of the “Improving Social Accountability in the Water Sector through the Development of Quality Standards and Citizen Participation in Monitoring Project” (the “Project”) which comprise the statement of cash proceeds and disbursements and the statement of uses of funds by project components for the year ended December 31, 2016, and a summary of significant accounting policies and other explanatory information (the “special purpose project financial statements”).
- [2] In our opinion, the accompanying special purpose project financial statements present fairly, in all material respects, cash proceeds and disbursements and uses of funds by project components of the Project for the year ended December 31, 2016 in accordance with International Public Sector Accounting Standard “Financial Reporting Under the Cash Basis of Accounting” (the “IPSAS”) issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”).

Basis for opinion

- [3] We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Tajikistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Emphasis of matter

- [4] Without qualifying our opinion, we draw attention to Note 2 to the special purpose project financial statements which describe the basis of accounting. These special purpose project financial statements were prepared for complying with the appropriate World Bank Guidelines and Grant agreement requirements, and therefore are not intended to be a complete presentation of the “Improving Social Accountability in the Water Sector through the Development of Quality Standards and Citizen Participation in Monitoring Project” (the “Project”) operations.

Other matter

- [5] The special purpose project financial statements are prepared to assist the Project to comply with the requirements of the World Bank. As a result the special purpose project financial statements may not be suitable for another purpose.

Responsibilities of management and those charged with governance for the special purpose project financial statements

- [6] Management is responsible for the preparation and fair presentation of the special purpose project financial statements in accordance with International Public Sector Accounting Standard “Financial Reporting Under the Cash Basis of Accounting” (the “IPSAS”) issued by the International Public Accounting Standards Board of the International Federation of Accountants, and the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”), and for such internal control as management determines is necessary to enable the preparation of the special purpose project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the special purpose project financial statements

- [7] Our objectives are to obtain reasonable assurance about whether the special purpose project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the special purpose project financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose project financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose project financial statements, including the disclosures, and whether the special purpose project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

[8] We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[9] We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Baker Tilly Romania

Baker Tilly Klitou and Partners SRL

Bucharest, Romania

April 21, 2017



“IMPROVING SOCIAL ACCOUNTABILITY IN THE WATER SECTOR THROUGH THE DEVELOPMENT OF QUALITY STANDARDS AND CITIZEN PARTICIPATION IN MONITORING PROJECT”
GRANT NO. TF 015840

STATEMENT OF CASH PROCEEDS AND DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(in US Dollars)

| | Notes | For the year ended December 31, 2016 | Cumulative | For the year ended December 31, 2015 (restated) | Cumulative (restated) |
|--|-------|--|------------|--|--------------------------|
| Opening balance | 5 | 68,925 | - | 240,075 | - |
| Funds received | | | | | |
| Grant No. TF 015840 | 7 | 298,846 | 596,346 | - | 297,500 |
| Total funds received | | 298,846 | 596,346 | - | 297,500 |
| Project expenses | | | | | |
| Consultancy services | 6 | 646 | 52,305 | 35,383 | 51,659 |
| Training, seminars and workshops | 6 | 37,516 | 68,027 | 29,608 | 30,511 |
| Goods | 6 | 13,060 | 17,507 | 3,694 | 4,447 |
| Incremental operating costs | 6 | 164,991 | 267,437 | 87,470 | 102,446 |
| Others (campaigns, media activities, events) | 6 | 34,863 | 74,347 | 14,977 | 39,484 |
| Total project expenses | 6 | 251,076 | 479,623 | 171,132 | 228,547 |
| Foreign exchange difference | | 20 | 48 | 18 | 28 |
| Closing balance | 5 | 116,675 | 116,675 | 68,925 | 68,925 |

On behalf of the Management:



Shovcat Alizadeh
Director



Dilafruz Gafurova
Finance and systems coordinator

April 21, 2017
 Dushanbe, Republic of Tajikistan

April 21, 2017
 Dushanbe, Republic of Tajikistan


The notes on pages 8-15 form an integral part of the special purpose project financial statements. The Independent Auditors' Report is on pages 3-5.

“IMPROVING SOCIAL ACCOUNTABILITY IN THE WATER SECTOR THROUGH THE DEVELOPMENT OF QUALITY STANDARDS AND CITIZEN PARTICIPATION IN MONITORING PROJECT”
GRANT NO. TF 015840

STATEMENT OF FUNDS BY PROJECT COMPONENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(in US Dollars)

| | For the year ended December 31, 2016 | Cumulative | For the year ended December 31, 2015 (restated) | Cumulative (restated) |
|--|---|----------------|---|--------------------------|
| Component 1. “Definition and dissemination of a new and improved set of performance indicators for service provision in water supply and sanitation subsector at national level” | 7,385 | 36,644 | 19,110 | 29,259 |
| Component 2. “Establish the capacity within local CSOs to implement a civil society-based monitoring mechanism focused on consumer rights, developed in target areas and connected to the community, local, district and national levels” | 44,120 | 84,220 | 35,346 | 40,100 |
| Component 3. “Consumers’ awareness raising and capacity building of selected operators and other local stakeholders in target areas” | 32,075 | 56,501 | 6,566 | 24,426 |
| Component 4. “Knowledge and learning plan and program coordination” | 167,496 | 302,258 | 110,110 | 134,762 |
| | <u>251,076</u> | <u>479,623</u> | <u>171,132</u> | <u>228,547</u> |


On behalf of the Management:



Shovcat Alizadeh
Director

April 21, 2017
 Dushanbe, Republic of Tajikistan





Dilafruz Gafurova
Finance and systems coordinator

April 21, 2017
 Dushanbe, Republic of Tajikistan

The notes on pages 8-15 form an integral part of the special purpose project financial statements. The Independent Auditors’ Report is on pages 3-5.

“IMPROVING SOCIAL ACCOUNTABILITY IN THE WATER SECTOR THROUGH THE DEVELOPMENT OF QUALITY STANDARDS AND CITIZEN PARTICIPATION IN MONITORING PROJECT”
GRANT NO. TF 015840

NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(in US Dollars)

1. GENERAL INFORMATION

According to the Agreement between the Affiliate of OXFAM GB Association in the Republic of Tajikistan and the International Bank for Reconstruction and Development and the International Development Association (the “World Bank”) signed on April 03, 2014, the World Bank, acting as administrator of grant funds provided by various donors under the Global Partnership for Social Accountability (the “GPSA”), provided a Grant No. TF 015840 in amount of 850,000 US Dollars to the Affiliate of OXFAM GB Association in the Republic of Tajikistan.

The Grant was provided for the “Improving Social Accountability in the Water Sector through the Development of Quality Standards and Citizen Participation in Monitoring Project” (the “Project”).

Project purpose

The objective of the Project is to increase the engagement of Beneficiaries in monitoring the performance of the water supply and sanitation subsector.

The Project comprises the following components:

Component 1 – Definition and dissemination at national level of a new set of performance indicators for service provision in water supply and sanitation subsector at national level;

Component 2 – Establish the capacity within local CSOs to implement a civil society-based monitoring mechanism focused on consumer rights, developed in target areas and connected to the community, local, district and national levels;

Component 3 – Consumers’ awareness raising and capacity building of selected operators and other local stakeholders in target areas;

Component 4 – Knowledge and learning plan and program coordination.

Component 1: Definition and dissemination of new and improved set of performance indicators for service provision in the water supply and sanitation subsector through: (a) the carrying out of an analysis of the existing regulatory framework; (b) the development of a new and an improved set of performance indicators for the subsector at the national level; and (c) the preparation and dissemination of a draft report on such indicators.

Component 2: Supporting the establishment of a standard civil society-based monitoring mechanism with local CSOs through: (a) the preparation of the monitoring framework to monitor service performance in the water supply and sanitation subsector; (b) the assessment of the capacity of the CSOs focused on consumer rights; (c) the development and implementation of a capacity building plan, on the basis of the assessment in (b) above, for such CSOs, targeted service providers and local public stakeholders; and (d) the testing of the civil society-based monitoring mechanism.

Component 3: Carrying out: (a) communication campaigns and community events to raise awareness of water consumers; and (b) capacity building activities tailored to targeted water service providers in cooperation with local regulators.

Components 4: (a) (i) developing a plan to share knowledge and best learning practices including the design of knowledge base and interactive tools for relevant stakeholders; and (ii) developing mechanisms for monitoring and evaluating learning results and knowledge applications; (b) carrying out the management, monitoring and evaluation of Project activities including audits; and (c) coordinating and sharing information with key stakeholders.

Project management

The Project is implemented by the Affiliate of OXFAM GB Association in the Republic of Tajikistan (the “Oxfam”) based on its operational manual, which has undergone due diligence check by the World Bank.

Duration of the Project is from April 3, 2014 to January 31, 2018.

2. PRESENTATION OF THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS

Basis of preparation

These special purpose project financial statements have been prepared in accordance with the International Public Sector Accounting Standard (the “IPSAS”) “Financial Reporting under the Cash Basis of Accounting” issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the following principal accounting policies, which have been consistently followed in all material respects and comply with the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”).

Under the cash basis approach income (or expenditure) is recognized when cash is received (or paid) irrespective of when goods or services are received or provided.

The Project’s approved budget disclosed by categories of expenses is not publicly available and as such comparison of budget and actual amounts is not presented.

These special purpose project financial statements consist of:

- Statement of cash proceeds and disbursements;
- Statement of uses of funds by project components;
- Notes to the special purpose project financial statements, including short description of main statements of accounting policy and other descriptive notes.

The reporting currency of these special purpose project financial statements is US Dollars (the “USD”).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The special purpose project financial statements are prepared on a cash basis of accounting. The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the Project. The special purpose project financial statements prepared under the cash basis provide readers with information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The measurement focus in the special purpose project financial statements is balances of cash and changes therein.

Foreign currency

Operations in foreign currency initially are counted in functional currency by the official currency exchange rate settled by the National Bank of Tajikistan (the “NBT”) on a date of operation.

All payments made in local currency are translated into USD at the official exchange rate defined by National Bank of Tajikistan, at the date of transaction.

Monetary assets and liabilities expressed in foreign currency are converted to functional currency at official exchange rate on a date settled by the NBT.

All foreign exchange differences resulted from maturity or recounting are included in statement of cash proceeds and disbursements.

Non-monetary items are valued according to their historic cost in foreign currency, which are recalculated on rates of the initial operation date.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and due from banks, which can be converted to the corresponding amount of cash in the short term.

Taxes

Calculation and payment of personal income tax and social security contributions from income of local staff and consultants is made in accordance with the requirements and rates of the Tax Code of the Republic of Tajikistan.

Project expenses

The expenses are recorded in the period when they were actually paid.

Sources of funds

The funds were provided by the World Bank to the Project by replenishment of special account.

4. PRIOR PERIOD RECLASSIFICATION

In 2016 the Project made retrospective reclassifications to the special purpose financial statements for the period from April 3, 2014 to December 31, 2014 and for the year ended December 31, 2015 due to corrections of consultant costs between components and categories of the Project expenses. Comparative amount in the previous periods have been adjusted.

Effect of changes to the special purpose project financial statements for the period from April 3, 2014 to December 31, 2014 and for the year ended December 31, 2015 is presented below:

| | As previously reported | | Reclassified amount | As reclassified | |
|---|--------------------------------------|------------|---------------------|--------------------------------------|------------|
| Statement of cash proceeds and disbursements: | For the year ended December 31, 2015 | Cumulative | | For the year ended December 31, 2015 | Cumulative |
| Consultancy services | 19,967 | 36,243 | 15,416 | 35,383 | 51,659 |
| Others (campaigns, media activities, events) | 30,393 | 54,900 | (15,416) | 14,977 | 39,484 |

Statement of funds by project components:

| | For the year ended December 31, 2015 | Cumulative | | For the year ended December 31, 2015 | Cumulative |
|-------------|---|------------|----------|---|------------|
| Component 1 | 19,110 | 19,170 | - | 19,110 | 29,259 |
| Component 2 | 19,930 | 34,773 | 15,416 | 35,346 | 40,100 |
| Component 3 | 15,202 | 33,062 | (8,636) | 6,566 | 24,426 |
| Component 4 | 116,890 | 141,542 | (6,780) | 110,110 | 134,762 |
| | For the period from April 03, 2014 to December 31, 2014 | Cumulative | | For the period from April 03, 2014 to December 31, 2014 | Cumulative |
| Component 1 | 60 | 60 | 10,089 | 10,149 | 10,149 |
| Component 2 | 14,843 | 14,843 | (10,089) | 4,754 | 4,754 |
| Component 3 | 17,860 | 17,860 | - | 17,860 | 17,860 |
| Component 4 | 24,652 | 24,652 | - | 24,652 | 24,652 |

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2016 and 2015 comprise:

| | December 31, 2016 | December 31, 2015 (restated) |
|--------------------------------------|----------------------|------------------------------------|
| Special account in foreign currency | 112,092 | 68,697 |
| Transit account in national currency | 4,583 | 73 |
| Cash on hand in foreign currency | - | 155 |
| | <u>116,675</u> | <u>68,925</u> |

6. CUMULATIVE PROJECT EXPENDITURES

Project expenditures by components are presented in the statement of funds by project components. Project expenditures on major categories are presented in the statement of cash proceeds and disbursements. Breakdown of project expenses by categories and nature is presented as follows:

| | For the year ended December 31, 2016 | Cumulative | For the year ended December 31, 2015 (restated) | Cumulative (restated) |
|-----------------------------|--|---------------|--|--------------------------|
| Consultancy services | | | | |
| Workshops | 646 | 1,213 | 567 | 567 |
| International consultants | - | 35,782 | 23,416 | 35,782 |
| Local consultant costs | - | 10,123 | 6,545 | 10,123 |
| Business trips | - | 4,118 | 4,118 | 4,118 |
| Per diem and accommodation | - | 832 | 630 | 832 |
| Bank charges | - | 237 | 107 | 237 |
| | <u>646</u> | <u>52,305</u> | <u>35,383</u> | <u>51,659</u> |

Training, seminars and workshops

| | | | | |
|---------------------------|---------------|---------------|---------------|---------------|
| Workshops | 15,201 | 27,400 | 11,335 | 12,199 |
| Local consultant costs | 13,925 | 17,280 | 3,355 | 3,355 |
| Payroll and related taxes | 8,386 | 17,250 | 8,864 | 8,864 |
| Business trips | - | 3,602 | 3,563 | 3,602 |
| Training | - | 2,475 | 2,475 | 2,475 |
| Bank charges | 4 | 20 | 16 | 16 |
| | <u>37,516</u> | <u>68,027</u> | <u>29,608</u> | <u>30,511</u> |

Goods

| | | | | |
|--------------------|---------------|---------------|--------------|--------------|
| Computer equipment | 7,043 | 10,398 | 2,662 | 3,355 |
| Workshops | 3,282 | 3,282 | - | - |
| Furniture | 2,731 | 2,731 | - | - |
| Other IT purchase | - | 960 | 960 | 960 |
| Other | 4 | 136 | 72 | 132 |
| | <u>13,060</u> | <u>17,507</u> | <u>3,694</u> | <u>4,447</u> |

Incremental operating costs

| | | | | |
|---|----------------|----------------|---------------|----------------|
| International staff | 71,730 | 86,385 | 14,655 | 14,655 |
| Local consultant costs | 41,243 | 85,901 | 36,075 | 44,658 |
| Other staff entitlements | 12,908 | 20,764 | 6,215 | 7,856 |
| External audit | 10,333 | 10,333 | - | - |
| Overhead costs HQ-5% | 9,861 | 21,829 | 11,968 | 11,968 |
| Payroll and related taxes | 7,952 | 21,480 | 10,910 | 13,528 |
| Vehicle fuel, insurance and maintenance | 3,700 | 6,419 | 2,114 | 2,719 |
| Per diem and accommodation | 3,548 | 5,031 | 704 | 1,483 |
| Business trips | 1,955 | 3,677 | 1,722 | 1,722 |
| Office rent and utilities | 335 | 2,703 | 2,160 | 2,368 |
| Office miscellaneous costs | - | 728 | 578 | 728 |
| Other | 1,426 | 2,187 | 369 | 761 |
| | <u>164,991</u> | <u>267,437</u> | <u>87,470</u> | <u>102,446</u> |

Others (campaigns, media activities, events)

| | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|
| Local consultant costs | 19,791 | 38,791 | - | 19,000 |
| Payroll and related taxes | 8,728 | 8,728 | - | - |
| Services | 3,115 | 5,255 | 104 | 2,140 |
| Project mid-term evaluation | 2,061 | 2,061 | - | - |
| Workshops | 448 | 1,726 | 566 | 1,278 |
| Translation services | 279 | 3,483 | 1,185 | 3,204 |
| International consultants | - | 10,149 | 9,412 | 10,149 |
| Business trips | - | 2,175 | 2,175 | 2,175 |
| International staff | - | 964 | 964 | 964 |
| Other | 441 | 1,015 | 571 | 574 |
| | <u>34,863</u> | <u>74,347</u> | <u>14,977</u> | <u>39,484</u> |
| | <u>251,076</u> | <u>479,623</u> | <u>171,132</u> | <u>228,547</u> |

7. FUNDS RECEIVED

The funds received were presented by the following reimbursement methods:

| | For the year ended December 31, 2016 | Cumulative | For the year ended December 31, 2015 (restated) | Cumulative (restated) |
|--------------------------|---|----------------|---|--------------------------|
| Financing method: | | | | |
| Advances received | 298,846 | 596,346 | - | 297,500 |
| | <u>298,846</u> | <u>596,346</u> | <u>-</u> | <u>297,500</u> |

8. FINANCIAL POSITION

Financial position as at December 31, 2016 and 2015 comprise:

| | December 31, 2016 | December 31, 2015 (restated) |
|--------------------------------------|----------------------|------------------------------------|
| ASSETS AND EXPENDITURES | | |
| Cash and cash equivalents | 116,675 | 68,925 |
| Cumulative project expenditures | 479,623 | 228,547 |
| Foreign exchange difference | 48 | 28 |
| TOTAL ASSETS AND EXPENDITURES | <u>596,346</u> | <u>297,500</u> |
| FINANCING | | |
| Funds received | 596,346 | 297,500 |
| TOTAL FINANCING | <u>596,346</u> | <u>297,500</u> |

9. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2016 comprise:

| Sources of financing | Applications | Date | Advance | Total |
|----------------------|--------------|-------------------|----------------|----------------|
| TF 015840 | 7 | April 28, 2016 | 128,846 | 128,846 |
| | 11 | November 23, 2016 | <u>170,000</u> | <u>170,000</u> |
| Total | | | <u>298,846</u> | <u>298,846</u> |

10. SPECIAL ACCOUNT

Special account for the year ended December 31, 2016 comprise:

| | | | |
|---|--|---|-----------------------|
| <i>Currency</i> | US Dollars | US Dollars | |
| <i>Bank account</i> | 20214840700000100013 | 20214840651100771006 | |
| <i>Bank</i> | OJSC "Tajiksodirobank" | CJSC "Kazkommertsbank Tajikistan" | |
| <i>Bank's location</i> | 734012, Behzod 47 str., Dushanbe, Republic of Tajikistan | 734012, Ainey 24 A str., Dushanbe, Republic of Tajikistan | |
| | | | Total |
| Balance as at December 31, 2015 (restated) | <u>68,697</u> | <u>-</u> | <u>68,697</u> |
| Advances received | <u>-</u> | <u>298,846</u> | <u>298,846</u> |
| Total funds received to a special account | <u>-</u> | <u>298,846</u> | <u>298,846</u> |
| The amount of expenditures paid | 48,999 | 202,077 | 251,076 |
| Transfer between accounts | 4,555 | (200) | 4,355 |
| Foreign exchange difference | (2) | 22 | 20 |
| Balance as at December 31, 2016 | <u><u>15,145</u></u> | <u><u>96,947</u></u> | <u><u>112,092</u></u> |

11. UNDRAWN FUNDS

For the year ended December 31, 2016 undrawn funds with breakdown are presented as follows:

| | |
|---|--------------------------------|
| | Grant No. TF 015840 |
| Approved grant amount | 850,000 |
| Disbursed during the period from April 3, 2014 to December 31, 2016 | <u>596,346</u> |
| Undrawn amount | <u><u>253,654</u></u> |
| | Grant No. TF 015840 |
| Grant received as at January 1, 2016 | 297,500 |
| Disbursed in 2016 | <u>298,846</u> |
| Grant received as at December 31, 2016 | <u><u>596,346</u></u> |

12. COMMITMENTS

In the normal course of activities, the Project concludes agreements with suppliers of goods and services in accordance with the established budget and procurement plan. As at December 31, 2016 the Project had following commitments:

| Counterparty | Currency | Contract value | Paid up to December 31, 2016 | Remaining amount to be paid |
|---------------------|-----------|----------------|------------------------------------|-----------------------------------|
| PA "Consumer Union" | US dollar | 190,000 | 116,584 | 73,416 |
| Nasriddin Yuldashev | US dollar | 1,200 | 200 | 1,000 |
| Bahrulloi Isufzoda | US dollar | 1,200 | 200 | 1,000 |
| Gulsunbi Bakhtirova | US dollar | 1,200 | 200 | 1,000 |
| Faizullo Marufov | US dollar | 1,200 | 200 | 1,000 |
| Hikmat Safarov | US dollar | 1,200 | 200 | 1,000 |
| | | <u>196,000</u> | <u>117,584</u> | <u>78,416</u> |

13. LEGAL CASES

There were no any legal cases related to the Project.

14. EVENTS AFTER THE REPORTING DATE

As at the date of issue of the special purpose project financial statements no significant events or transactions occurred which should be disclosed in the special purpose project financial statements.